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NASA Procedural Requirements

COMPLIANCE IS MANDATORY**NPR 2092.1A**
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Subject: Distribution of Royalties Received by NASA from the Licensing or Assignment of Inventions

Responsible Office: Office of the General Counsel

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CHAPTER 2. Distribution of Royalties

2.1 Distribution of Royalties

Whenever NASA licenses, or otherwise enters into a transaction for the use of one or more inventions described and claimed by one or more patents and/or patent applications, any royalties or other payments received from such activities shall be distributed to the inventors who have directly assigned their interests in such inventions to the Government, in accordance with subparagraph 2.2, and to the appropriate NASA facility or facilities, in accordance with subparagraph 2.3.

2.2 Distribution to Employees Named as Inventors and Other Inventors Assigning Their Undivided Interests in Inventions to NASA

2.2.1 Distribution of royalties or other payments shall be calculated on a fiscal year basis.

2.2.2 Distribution of royalties or other payments to any one recipient shall not exceed \$150,000 per calendar year, unless the President approves a larger amount (with the excess over \$150,000 being treated as a Presidential Award under Section 4504 of Title 5, U.S.C.). Monies remaining after distribution under this subparagraph shall be distributed in accordance with subparagraph 2.3.

2.2.3 Distribution shall be calculated on a per license or a per transaction basis. If one inventor is named, that inventor shall receive the first \$5,000, plus 25 percent of the remainder. For two to four inventors, each inventor shall receive an equal share up to \$5,000 each, plus 25 percent of the remainder up to the first \$25,000 received, and an equal share of 30 percent of the remainder after the first \$25,000 received by NASA. For five or more inventors, each inventor shall receive an equal share of the first \$25,000 received plus an equal share of 30 percent of the remainder after the first \$25,000 received by NASA.

2.3 Center Directors

2.3.1 The Center Directors; Director, NASA Management Office--JPL; or the Assistant Administrator, Institutional and Corporate Management will be notified by the Office of the Chief Financial Officer of the balance of any royalties or other payments that are, after payment to the inventors made in accordance with subparagraph 2.2 and subject to the limitations of subparagraph 2.4, available for distribution to their facility or facilities. Notification will also be given as to the amounts of royalties or other payments received from the licensing of inventions made by contractors or grantees, in which title to such inventions has been assigned or otherwise vested in NASA, that are available (subject to the limitations of subparagraph 2.4) for distribution to the Centers or the NASA Management Office--JPL (in cases where the contracts or grants originated at the Centers or at the NASA Management Office--JPL), or NASA Headquarters (in cases where the contracts or grants originated at NASA Headquarters).

2.3.2 Royalties and other payments so transferred may be used for the following purposes:

- a. Payment of expenses incidental to the administration and licensing of intellectual property (including patent

application preparation, prosecution, maintenance fees, travel, and other costs) incurred by the Agency or the facility or facilities.

b. Scientific research and development consistent with the research and development missions and objectives of the Agency and the facility or facilities.

c. Education and training of employees consistent with the research and development missions and objectives of the Agency or the facility and for other activities that increase the potential for transfer of the technology of the various Centers.

d. To further scientific exchange among the various Centers.

e. To be used to reward scientific, engineering, and technical employees of the facility, including developers of sensitive or classified technology, regardless of whether the technology has commercial applications.

2.3.3 Transfer of royalties or other payments to a facility or facilities will be made on a semiannual basis. The royalties or other payments so transferred to the facility must be used or obligated in the fiscal year they are issued or during the 2 succeeding fiscal years. Royalties or other payments not used or obligated within that period will be transferred to the Treasury of the United States.

2.4 Excess Royalties and Other Payments

If, after payment to inventors under subparagraph 2.2, the royalties or other payments received by NASA in any fiscal year exceed 5 percent of the budget of the NASA facility or facilities in which the licensed inventions producing such royalties or other income were made, then 75 percent of such excess will be paid to the Treasury of the United States by NASA, and the remaining 25 percent shall be made available for use and obligations in accordance with subparagraph 2.3.

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